

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

March 16, 2009

Honorable Darryl Hairston
Acting Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Acting Administrator Hairston,

I write regarding the need to designate and fund additional veteran entrepreneurship training centers through the Small Business Administration's (SBA) Veteran Business Outreach Center (VBOC) program. As you know, the United States has a large and growing veteran population. There are 25 million veterans living today that have served the military in an active duty status. There are also over one million reservists, which include all branches of the National Guard and Reserve. Within this sector, there are a variety of backgrounds and needs. Ten percent, or 2.5 million, of them are service-disabled and one million are women.

Returning military personnel have historically and are increasingly relying upon self-employment in order to maintain a stable income, particularly those who are disabled or between deployments. Numbering more than 5 million, they account for 14 percent of these enterprises, including 7 percent that are operated by service-disabled veterans. These entrepreneurs make critical contributions to the United States economy. Nearly three-quarters expect to employ at least one other person, which supports job growth and expanding of local economies.

In order to meet the needs of veteran entrepreneurs, I ask that you designate the three original Regional Hub Community Based Centers funded by the National Veterans Business Development Corporation under section 33 of the Small Business Act as Veterans Business Outreach Centers under the authority granted in section 8(b)(17) of the Small Business Act. These Centers include the Northeast Veterans Business Resource Center, Lawrence, Massachusetts; the Veterans Advocacy Foundation, Saint Louis Veterans Business Resource Center, St. Louis, Missouri; and VetBiz Central, Flint Veterans Business Resource Center, Flint, Michigan. The SBA should fund these Centers through the \$1.2 million in resources provided for VBOCs in P.L. 111-08, the Omnibus Appropriations Act for Fiscal Year 2009. If those funds are insufficient to

provide the necessary resources to these three centers, the agency should make use of the reprogramming authority granted in sections 506 and 608 of such Act.

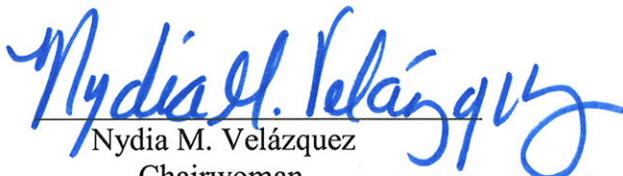
As required by the Joint Explanatory Statement for Division D, accompanying P.L. 111-08, these three Centers have previously been federally funded through the National Veterans Business Development Corporation and also possess the infrastructure and knowledge to contribute immediately to the initiatives operated by the SBA's Office of Veterans Business Development. The designation of these three Centers as VBOCs will also address geographic gaps in the service areas of the existing VBOC network.¹

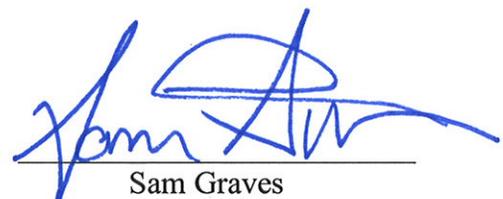
Entrepreneurial training for veterans through SBA's VBOCs is critical. Although veterans gain many skills and experiences while in the service, they often require training and assistance to transfer this knowledge to civilian employment and entrepreneurial opportunities. Without adequate preparation, some face difficulties finding productive economic opportunities following their transition to civilian life. Consequently, unemployment is more than double the national rate, at nearly 12 percent for veterans. Based on these figures, more needs to be done to adequately ensure that veterans and reservists have the entrepreneurial development assistance they need to succeed in civilian life and between deployments.

Veteran entrepreneurs have many of the same needs as non-veteran small business owners. They require affordable access to capital to initiate enterprises and maintain them before, after, and sometimes during deployment. They also require entrepreneurial training and management skills to build their businesses. Because veteran business owners face unique circumstance due to deployment, they can benefit from the location of resources in local communities, ensuring that they are accessible and affordable over the long term. By drawing on these resources, they can strengthen their businesses and ensure that they successfully compete in the market.

At a time when the veterans' population is growing and the economy faces challenges on many fronts, broadening veterans' access to entrepreneurial training is critical. I thank you in advance for your attention to this matter and also for your support of our nation's veteran-owned small businesses.

Sincerely,


Nydia M. Velázquez
Chairwoman


Sam Graves
Ranking Member

¹ There are currently five VBOCs and they are located in Farmingdale, New York; Pittsburgh, Pennsylvania; Lynn Haven, Florida; Edinburg, Texas; and Sacramento, California.